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Impact of Travel on State Economies 1981

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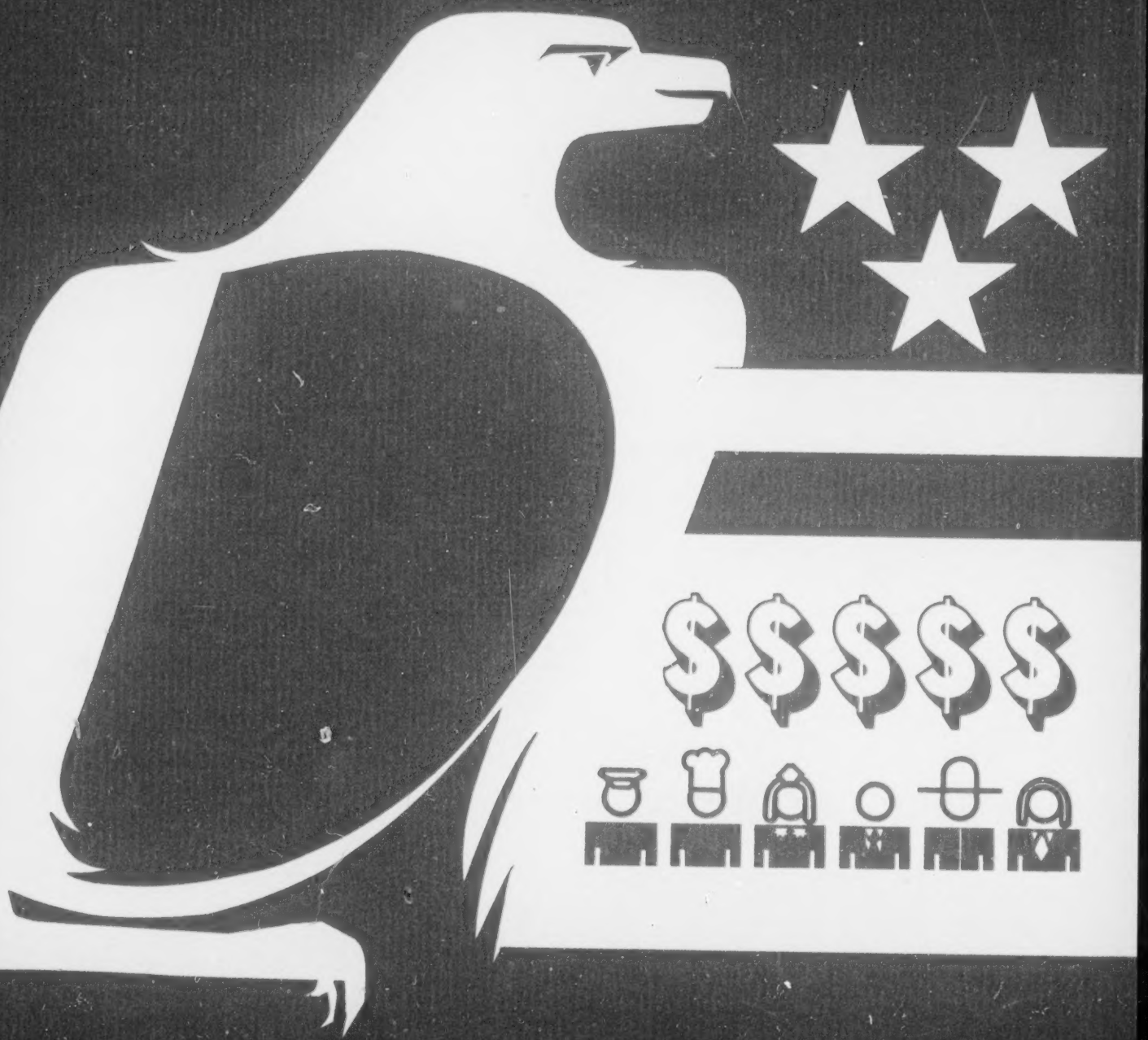

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DISCOVER AMERICA

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THE IMPACT OF TRAVEL ON STATE ECONOMIES 1981

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The United States Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic, and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of such research, and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives. The Data Center is financed through publication sales, membership dues and contract research. It is located in Suite 610, 1899 L Street, N.W., Washington, D.C. 20036.

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EXECUTIVE SUMMARY

- U.S. residents and foreign visitors spent $192 billion traveling in America during 1981, a ten percent increase over the previous year.
- These expenditures directly generated 4.7 million jobs paying $43 billion in wages and salaries.
- Travel spending in America generated $21 billion in tax revenue for federal, state and local governments.
- California garnered the largest share of travel spending in the U.S. during 1981, followed by Florida.
- Texas moved into third place ahead of New York for the first time in terms of travel expenditures.
- New Jersey posted the largest percentage increase in travel spending in 1981, followed by Alaska; no state showed a travel spending decline.
- Jobs directly generated by travel spending exceeded all other private industries in 13 states; travel was the first, second or third largest employer in 39 states.
- Every $40,600 spent on travel in the U.S. directly supported one job, on the average.

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INTRODUCTION

The estimates of the economic impact of travel contained in this volume are the product of the Travel Economic Impact Model (TEIM), an economic model developed expressly to indicate the expenditures, employment, payroll, business receipts and tax revenue generated by travel away from home in the U.S.

The conceptual development of the model was funded by the Bureau of Land Management of the U.S. Department of the Interior in 1975. Since that time, the Model has been expanded to reflect the availability of improved data and has been computerized. While not included here, the Model has also been extended to produce improved county-level estimates of travel impact. The data contained in this report and others in this series are the only estimates of the economic impact of travel available for all 50 states and the District of Columbia.

In earlier years, the Data Center published estimates of travel's impact at the state level covering 1974, 1975 and 1976. With the availability of the U.S. Census Bureau's 1977 Censuses of Transportation, Service Industries, and Retail Trade, the Travel Economic Impact Model was revised substantially. The 1977 and subsequent year estimates are from the revised model. Consequently, 1977 and later estimates are not comparable to earlier data published by the Data Center.

In addition, in the process of producing the 1981 estimates, revisions were made in some of the 1980 state estimates published earlier. These revisions are based upon revised input data available from the U.S. government and other sources. Readers can contact the Data Center for revisions affecting particular states.

The Data Center views the Model as a continuing, evolving project producing annual estimates. It is hoped that this publication will stimulate discussion and criticism of the Model to promote further development and improvement. Users of these data are encouraged to communicate their reactions, both positive and negative, to the Data Center in the interests of progress in travel research.

The individual state estimates should not necessarily be viewed as substitutes for major state research projects on the impact of travel and tourism. Rather, the user should compare the methodologies and results, and draw his own conclusions regarding the validity of differing approaches and estimates.

In the Appendices, the Travel Economic Impact Model is summarized, and a glossary of terms is provided. Research sources used in producing these estimates are also listed in the Appendix.

1981 TRAVEL EXPENDITURES IN THE U.S.

During 1981, Americans spent $179 billion in the U.S. on travel away from home. This includes expenditures while on trips away from home overnight or to places 100 miles away. The 1981 domestic total is a 9 percent increase over the previous year.

As indicated in Table 1, spending on meals while traveling accounted for one-quarter of the total, more than any other category. Travel spending on auto transportation, including trucks, recreational vehicles and rental autos, accounted for nearly as much as food. Transportation by all modes accounted for 45 percent of U.S. domestic travel expenditures in 1981.

Table 1: Travel Expenditures in the U.S., 1981

Expenditure category	Expenditures ($ billions)	Percent of U.S. total	Percent change from 1980
Public transportation	$ 36.8	20.6	10.9
Auto transportation	43.5	24.3	5.1
Lodging	26.5	14.8	12.2
Food	44.9	25.1	10.0
Entertainment and recreation	15.2	8.5	11.2
Incidentals	11.6	6.5	7.5
U.S. total	$178.7	100.0	9.2
U.S. territories	0.8[1]		4.0
Foreign visitor spending	12.2		20.1
Grand total	$191.7		9.8

[1]U.S. territories in this report include American Samoa, Guam, the Marianas, Puerto Rico and the U.S. Virgin Islands.
Note: Details may not add to totals due to rounding.
Source: U.S. Travel Data Center.

For the first time in these reports, traveler expenditures on casino gaming in Nevada and Atlantic City, New Jersey, are included in the estimates, as well as their impact on payroll, employment and tax revenue. As a result, travel expenditures on entertainment and recreation appear substantially higher than in earlier publications.

Traveler spending on lodging grew the most at more than 12 percent, reflecting rising demand and rising lodging rates. Entertainment/recreation, public transportation and food also showed double-digit rates of increase. Travel spending on auto transportation showed the lowest rate of growth: one-half the growth of the other groups. This reflected the declining costs of gasoline through most of 1981 and the increasing fuel efficiency of the nation's automobile fleet.

In these estimates, lodging expenditures of travelers must be distinguished from total receipts of commercial lodging facilities. The latter includes all sales income of hotels, motels and tourist courts, from room sales, restaurant sales, concessions, telephone service, valet and other services to customers. The model cannot distinguish meals purchased in restaurants operated by hotels or motels from those purchased in separate restaurants. Consequently, some of the food purchases estimated by the model took place in commercial lodging facilities although attributed herein to "foodservice."

This explains how changes in lodging expenditures by travelers may differ from variations in total lodging industry receipts. Moreover, this convention also affects TEIM estimates of travel-generated payroll and employment for lodging and foodservice.

Data were obtained from the official travel development offices in American Samoa, Guam, the Marianas, Puerto Rico and the U.S. Virgin Islands on visitor expenditures. Based on these data, the Data Center estimates that U.S. visitors to these territories spent $785 million in 1981. Foreign visitor spending in the U.S. territories is included in U.S. Department of Commerce estimates of total foreign visitor expenditures in the U.S.

According to the Commerce Department, foreign visitors spent $12,163 million while traveling in the U.S. and its territories during 1981, a 20 percent increase over the previous year. This total is consistent with the TEIM estimates for American resident travel spending, and does not include receipts of U.S. carriers for international transportation of foreign nationals.

Together, U.S. residents and foreign visitors spent nearly $192 billion on travel in the U.S. during 1981, 10 percent more than the previous year. (Table 1) Total travel spending in the U.S. accounted for 6.5 percent of the nation's gross national product (GNP) during 1981, and grew somewhat slower than the GNP's 12 percent advance.

Table 2 shows travel spending in six categories by state visited in 1981. Only U.S. travel expenditures are included here, as there is no acceptable method of distributing foreign visitor expenditures among states at this time. The estimates in Table 2 are of total spending by U.S. travelers in the 50 states

and the District of Columbia, including the retail sales and excise taxes these travelers paid.

As indicated in Table 2, California led all other states with U.S. travel spending of $24 billion, 13 percent of the total for the nation. Florida was second in 1981 with nearly $14 billion. For the first time in the Data Center's post-1976 series of estimates, Texas edged out New York for third place.

The average state enjoyed $3.5 billion in U.S. travel spending during 1981. Sixteen states exceeded this, while 41 states garnered more than one billion dollars from U.S. travelers in 1981.

Rhode Island showed the least in travel expenditures for a state with $366 million. Delaware and South Dakota also indicated less than $500 million in these expenditures in 1981.

New Jersey posted the largest growth rate in expenditures over 1980: 33 percent. This was due largely to the increase in casino gaming facilities and activity in Atlantic City. Alaska posted a growth rate of 23 percent, while Vermont and Texas showed expenditures increasing more than 15 percent. In all, seventeen states exceeded the national average of more than nine percent growth in U.S. domestic travel expenditures in 1981 over the previous year. Michigan, Arizona and Indiana showed the smallest growth rates in travel expenditures.

TABLE 2: 1981 U.S. DOMESTIC TRAVEL EXPENDITURES FOR ALL TRIPS
($ MILLIONS)

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOOD
ALABAMA	165	305	189	357
ALASKA	311	133	100	180
ARIZONA	511	697	425	683
ARKANSAS	94	414	198	533
CALIFORNIA	6663	5360	3211	5769
COLORADO	889	602	607	938
CONNECTICUT	390	1176	101	274
DELAWARE	38	72	109	161
FLORIDA	2420	2943	3126	3609
GEORGIA	716	1796	513	944
HAWAII	646	362	600	462
IDAHO	115	151	124	322
ILLINOIS	1480	1709	481	1172
INDIANA	407	662	258	666
IOWA	317	424	173	458
KANSAS	248	499	139	387
KENTUCKY	216	873	205	482
LOUISIANA	577	1096	334	766
MAINE	111	148	352	396
MARYLAND	905	404	314	765
MASSACHUSETTS	1160	1313	658	765
MICHIGAN	1028	1302	899	1233
MINNESOTA	787	959	617	999
MISSISSIPPI	117	297	114	335
MISSOURI	790	1088	756	895
MONTANA	22	138	122	216
NEBRASKA	170	272	100	334
NEVADA	423	871	732	862
NEW HAMPSHIRE	50	181	309	288
NEW JERSEY	1719	559	862	1506

TABLE 2: 1981 U.S. DOMESTIC TRAVEL EXPENDITURES FOR ALL TRIPS
($ MILLIONS) - CONTINUED

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOOD
NEW MEXICO	173	256	165	426
NEW YORK	2832	3356	2015	3031
N. CAROLINA	502	1012	611	1082
NORTH DAKOTA	96	245	49	166
OHIO	1317	1680	492	1376
OKLAHOMA	503	435	245	727
OREGON	462	449	217	613
PENNSYLVANIA	1648	1707	863	1734
RHODE ISLAND	67	104	34	105
S. CAROLINA	206	537	414	795
SOUTH DAKOTA	52	126	69	131
TENNESSEE	308	634	421	851
TEXAS	2852	3169	1821	3028
UTAH	173	226	181	393
VERMONT	44	101	207	429
VIRGINIA	616	801	608	845
WASHINGTON	613	688	217	646
WEST VIRGINIA	77	265	235	324
WISCONSIN	436	649	594	1036
WYOMING	87	195	121	200
DIST. OF COL.	293	102	242	245
TOTAL	36841	43542	26548	44941

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER, 6/8/83

TABLE 2: 1981 U.S. DOMESTIC TRAVEL EXPENDITURES FOR ALL TRIPS ($ MILLIONS) - CONTINUED

STATE	ENTERTAIN-MENT AND RECREATION	INCIDENTAL PURCHASES	TOTAL	TOTAL CHANGE FROM 1980 (PERCENT)
ALABAMA	101	112	1230	3.45
ALASKA	29	32	784	23.21
ARIZONA	166	189	2672	2.30
ARKANSAS	138	158	1535	8.92
CALIFORNIA	1475	1464	23942	9.41
COLORADO	375	273	3684	9.65
CONNECTICUT	81	74	2096	3.91
DELAWARE	43	40	462	14.45
FLORIDA	823	889	13812	8.55
GEORGIA	257	249	4474	7.24
HAWAII	83	94	2247	7.89
IDAHO	51	63	826	6.88
ILLINOIS	353	328	5524	4.49
INDIANA	191	206	2391	3.27
IOWA	116	122	1610	5.08
KANSAS	114	119	1506	6.27
KENTUCKY	132	134	2042	6.50
LOUISIANA	190	180	3144	8.99
MAINE	96	96	1199	8.25
MARYLAND	168	180	2736	10.69
MASSACHUSETTS	183	186	4264	9.97
MICHIGAN	430	368	5259	1.64
MINNESOTA	333	271	3964	8.31
MISSISSIPPI	87	97	1047	7.85
MISSOURI	277	273	4078	6.86
MONTANA	63	64	626	6.35
NEBRASKA	92	95	1063	6.34
NEVADA	2402	165	5454	4.65
NEW HAMPSHIRE	102	81	1011	10.10
NEW JERSEY	1424	346	6416	33.26

TABLE 2: 1981 U.S. DOMESTIC TRAVEL EXPENDITURES FOR ALL TRIPS ($ MILLIONS) - CONTINUED

STATE	ENTERTAIN-MENT AND RECREATION	INCIDENTAL PURCHASES	TOTAL	TOTAL CHANGE FROM 1980 (PERCENT)
NEW MEXICO	106	95	1221	6.67
NEW YORK	621	600	12456	9.14
N. CAROLINA	298	298	3803	11.42
NORTH DAKOTA	40	51	647	7.69
OHIO	362	369	5596	6.11
OKLAHOMA	217	212	2338	14.33
OREGON	154	150	2045	4.09
PENNSYLVANIA	488	483	6923	8.56
RHODE ISLAND	27	29	366	5.61
S. CAROLINA	189	200	2342	11.93
SOUTH DAKOTA	37	41	456	5.65
TENNESSEE	217	222	2652	12.08
TEXAS	880	855	12604	15.67
UTAH	117	107	1198	11.29
VERMONT	100	84	964	16.68
VIRGINIA	222	233	3326	10.52
WASHINGTON	198	179	2541	4.48
WEST VIRGINIA	96	94	1092	10.08
WISCONSIN	382	275	3373	7.55
WYOMING	73	60	736	7.49
DIST. OF COL.	43	41	965	8.63
TOTAL	15241	11628	178740	9.23

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER, 6/8/83

1981 TRAVEL-GENERATED BUSINESS RECEIPTS

Travel-generated business receipts are defined as travel expenditures less federal, state, local and territorial retail sales and excise taxes. These estimates are useful for comparing travel's impact on industry with total industry receipts available from the U.S. Department of Commerce and other sources.

Table 3: Travel-generated Business Receipts in the U.S., 1981

Industry Category	Business receipts (billions)	Percent of U.S. total	Percent of expenditures
Public transportation	$ 35.5	20.8%	96.2%
Auto transportation	40.3	23.7	92.5
Lodging	25.7	15.1	96.9
Foodservice	42.9	25.2	95.6
Entertainment and recreation	14.7	8.6	96.7
Incidental purchases	11.1	6.5	95.6
U.S. total	$170.3	100.0	95.3
U.S. territories	.7		
Foreign visitor-generated	11.6		
Grand Total	$183.1		

Note: Details may not add to totals due to rounding.
Source: U.S. Travel Data Center

In 1981 travel-related businesses in the 50 states and the District of Columbia received over $170 billion from receipts generated by U.S. travelers. This is a 9.7 percent increase over the 1980 total.

As indicated in Table 3, the foodservice industry accounted for more than one-quarter of the total, closely followed by the auto transportation sector. This reverses the pattern in total expenditures discussed above, as auto transportation expenses were taxed at higher rates than foodservice in the U.S. during 1981.

Overall, travel-generated business receipts comprise 95 percent of travel expenditures in the U.S. Among the categories,

the proportions range from nearly 97 percent for entertainment and recreation expenditures to less than 93 percent for auto transportation. This indicates that auto transportation is relatively highly taxed as a retail sales activity, while entertainment and recreation enjoys relatively little taxation at the retail level.

U.S. spending in U.S. territories generated $748 million in business receipts in these five areas. Foreign visitor expenditures in the U.S. during 1981 produced $11,590 million in these receipts. This latter estimate is based upon a special study conducted for the U.S. Travel and Tourism Administration by the Data Center (see Appendix C).

During 1981, all travelers in the U.S. and its territories generated more than $183 billion in business receipts for American industry.

Table 4 details how business receipts generated by U.S. travelers are distributed among six industry categories in each of the fifty states and the District of Columbia. Ranking of states here is quite similar to that found for travel expenditures in Table 2, and differs only when a state has a relatively unique retail tax structure.

California is first in travel-generated business receipts with nearly $23 billion in 1981. Florida is second with more than $13 billion. In all, 39 states show such business receipts in excess of one billion dollars. Travel-generated business receipts averaged $3.3 billion per state.

At the other end of the scale are three states which show less than $500 million in travel-generated business receipts, with Rhode Island showing the least, $345 million.

TABLE 4: 1981 U.S. TRAVEL-GENERATED BUSINESS RECEIPTS
($ MILLIONS)

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOODSERVICE
ALABAMA	$ 159	$ 285	$ 182	$ 339
ALASKA	298	129	100	180
ARIZONA	489	650	414	652
ARKANSAS	91	382	194	518
CALIFORNIA	6395	4875	3106	5441
COLORADO	854	563	583	895
CONNECTICUT	374	1084	94	255
DELAWARE	36	67	105	160
FLORIDA	2332	2687	3035	3470
GEORGIA	686	1674	496	911
HAWAII	618	338	577	444
IDAHO	110	140	121	313
ILLINOIS	1422	1597	458	1117
INDIANA	393	601	245	640
IOWA	306	392	169	445
KANSAS	238	469	135	376
KENTUCKY	208	811	196	459
LOUISIANA	555	1023	318	728
MAINE	106	137	344	377
MARYLAND	871	377	296	728
MASSACHUSETTS	1113	1223	635	708
MICHIGAN	987	1178	886	1186
MINNESOTA	757	878	602	951
MISSISSIPPI	113	266	108	316
MISSOURI	760	1022	739	860
MONTANA	21	127	122	216
NEBRASKA	165	245	97	323
NEVADA	406	816	732	841
NEW HAMPSHIRE	49	165	309	288
NEW JERSEY	1648	524	831	1435

TABLE 4: 1981 U.S. TRAVEL-GENERATED BUSINESS RECEIPTS ($ MILLIONS) - CONTINUED

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOODSERVICE
NEW MEXICO	$ 166	$ 237	$ 157	$ 411
NEW YORK	2727	3036	1938	2833
N. CAROLINA	487	939	601	1040
NORTH DAKOTA	93	228	47	160
OHIO	1272	1585	472	1318
OKLAHOMA	484	409	238	700
OREGON	444	425	217	613
PENNSYLVANIA	1594	1589	827	1635
RHODE ISLAND	64	95	33	99
S. CAROLINA	200	493	401	764
SOUTH DAKOTA	50	114	66	125
TENNESSEE	299	591	399	805
TEXAS	2747	3010	1764	2911
UTAH	165	207	175	374
VERMONT	43	93	202	416
VIRGINIA	597	744	586	809
WASHINGTON	591	638	207	616
WEST VIRGINIA	75	248	231	308
WISCONSIN	422	596	584	996
WYOMING	84	181	117	194
DIST. OF COL.	293	102	242	245
TOTAL	$ 35458	$ 40285	$ 25735	$ 42943

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 7/13/83

TABLE 4: 1981 U.S. TRAVEL-GENERATED BUSINESS RECEIPTS ($ MILLIONS) - CONTINUED

STATE	ENTERTAIN-MENT AND RECREATION	GENERAL RETAIL TRADE	TOTAL
ALABAMA	$ 95	$ 107	$ 1168
ALASKA	29	32	767
ARIZONA	159	181	2545
ARKANSAS	134	154	1473
CALIFORNIA	1475	1381	22671
COLORADO	375	260	3529
CONNECTICUT	81	69	1957
DELAWARE	43	39	450
FLORIDA	791	855	13171
GEORGIA	248	240	4254
HAWAII	80	90	2147
IDAHO	50	61	795
ILLINOIS	353	313	5260
INDIANA	184	198	2263
IOWA	112	119	1543
KANSAS	111	115	1444
KENTUCKY	132	127	1933
LOUISIANA	180	171	2976
MAINE	96	92	1152
MARYLAND	160	172	2604
MASSACHUSETTS	183	177	4039
MICHIGAN	430	354	5020
MINNESOTA	317	258	3761
MISSISSIPPI	87	92	982
MISSOURI	266	262	3909
MONTANA	63	64	614
NEBRASKA	89	92	1010
NEVADA	2201	161	5157
NEW HAMPSHIRE	102	81	993
NEW JERSEY	1359	329	6127

TABLE 4: 1981 U.S. TRAVEL-GENERATED BUSINESS RECEIPTS ($ MILLIONS) - CONTINUED

STATE	ENTERTAIN-MENT AND RECREATION	GENERAL RETAIL TRADE	TOTAL
NEW MEXICO	$ 102	$ 92	$ 1164
NEW YORK	580	561	11675
N. CAROLINA	298	286	3651
NORTH DAKOTA	38	49	616
OHIO	362	353	5362
OKLAHOMA	209	204	2244
OREGON	154	150	2004
PENNSYLVANIA	488	455	6589
RHODE ISLAND	27	27	345
S. CAROLINA	182	193	2233
SOUTH DAKOTA	34	39	429
TENNESSEE	217	210	2521
TEXAS	880	822	12134
UTAH	112	102	1136
VERMONT	97	82	933
VIRGINIA	212	223	3170
WASHINGTON	188	171	2411
WEST VIRGINIA	92	90	1044
WISCONSIN	367	265	3230
WYOMING	71	58	704
DIST. OF COL.	43	41	965
TOTAL	$ 14736	$ 11118	$ 170275

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 7/13/83

1981 TRAVEL-GENERATED PAYROLL

Domestic travel spending by U.S. residents directly generated $39 billion in wage and salary, or payroll, income during 1981. This was a 9 percent increase over the previous year, somewhat slower than the ten percent increase in U.S. wage and salary disbursements for the entire economy. Table 5 shows the distribution of travel-generated payroll income among broad industry categories.

Payroll generated by travel spending in foodservice facilities accounted for nearly one-third of the total, while public transportation provided one-quarter. Travel arrangement, comprising travel agents and tour operators, accounted for three percent of travel-generated wage and salary income in 1981, the least of any of the industry categories shown.

Table 5: Travel-generated Payroll in the U.S., 1981

Industry category	Payroll ($ billions)	Percent of U.S. total	Percent change from 1980
Public transportation	$10.0	25.8	8.4
Auto transportation	3.1	8.0	1.1
Lodging	6.4	16.5	12.2
Foodservice	11.9	30.7	10.5
Entertainment and recreation	4.5	11.6	8.1
General retail trade	1.6	4.1	5.6
Travel arrangement	1.3	3.4	14.4
U.S. total	$38.8	100.0	9.1
U.S. territories	0.2		4.3
Foreign visitor-generated	2.6		19.9
Grand total	$42.6		9.7

Note: Details may not add to totals due to rounding.
Source: U.S. Travel Data Center.

Travel arrangement, however, showed the fastest growth in payroll, up more than 14 percent over 1980. Lodging and foodservice also displayed double-digit rates of travel-generated payroll increase. Auto transportation payroll, reflecting slow growth in expenditures and the trend toward self-service gasoline stations, showed a negligible percentage increase for the year.

Table 5 also indicates that U.S. travelers in our territories generated nearly $200 million in wage and salary income. Foreign visitors in the states and territories accounted for $2.64 billion in payroll income. Total U.S. wage and salary income directly generated by spending of all travelers in the U.S. states and territories exceeded $42 billion in 1981.

Foreign visitor spending in the U.S. produced an increase in directly generated payroll of nearly 20 percent. Overall, all wage and salary income directly attributable to travel spending in the U.S. jumped nearly ten percent in 1981, about the same increase as total wage and salary disbursements for the economy.

A dollar of travel spending generates different amounts of payroll income in different sectors of the travel industry depending on the labor content of the service and the wage structure. For example, public transportation accounts for less than 21 percent of travel-expenditures but nearly 26 percent of travel-generated payroll. This reflects the relatively high wage structure in public transportation, and the importance of labor in providing this service.

Auto transportation, on the other hand, requires little labor per dollar of receipts, and gasoline service station employees earn relatively low wages. Consequently, auto transportation comprises one-fourth of travel expenditures but less than one-tenth of travel-generated payroll.

On the average, one dollar in travel expenditures directly generated 21.7 cents in wage and salary income during 1981. The ratio of payroll to employment for all travel-generated jobs in the U.S. was $8,900 per job. The average ranged from $22,400 per job in public transportation to $5,700 per job in foodservice. These figures reflect both the average hourly wage in each sector and the number of hours worked per job per year. Foodservice and lodging employment have relatively low payroll-per-job averages primarily due to the seasonal nature of business and the part-time nature of the jobs.

Table 6 displays payroll generated by U.S. travelers in each of the 50 states and the District of Columbia during 1981.

The average state benefitted from $762 million in U.S. travel-generated labor income. California led with over five billion dollars in travel-generated payroll income, followed by Florida with more than $2.9 billion. Ten states in all show more than one billion dollars in this wage and salary income. South Dakota and Rhode Island indicate less than $100 million in travel-generated payroll for 1981, the lowest levels among all states.

Travel-generated payroll in New Jersey, reflecting casino gaming growth in Atlantic City, grew faster than in any other state. Alaska was second in payroll growth, followed by Texas. Michigan showed the lowest increase: less than one percent.

TABLE 6: 1981 U.S. TRAVEL-GENERATED PAYROLL ($ MILLIONS)

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOODSERVICE
ALABAMA	44	17	45	89
ALASKA	85	15	25	55
ARIZONA	140	40	95	178
ARKANSAS	22	24	43	135
CALIFORNIA	1825	372	748	1607
COLORADO	237	39	154	259
CONNECTICUT	125	109	29	73
DELAWARE	32	4	27	42
FLORIDA	624	188	733	931
GEORGIA	193	154	139	244
HAWAII	181	38	170	137
IDAHO	29	9	34	82
ILLINOIS	441	148	134	304
INDIANA	128	41	66	171
IOWA	80	28	44	114
KANSAS	66	36	36	102
KENTUCKY	59	54	50	123
LOUISIANA	164	78	94	200
MAINE	30	8	77	99
MARYLAND	258	28	81	197
MASSACHUSETTS	327	120	157	205
MICHIGAN	277	77	180	318
MINNESOTA	209	64	139	276
MISSISSIPPI	27	16	30	84
MISSOURI	211	78	176	237
MONTANA	6	8	27	55
NEBRASKA	43	17	26	84
NEVADA	116	59	224	235
NEW HAMPSHIRE	9	9	63	76
NEW JERSEY	483	39	209	388

TABLE 6: 1981 U.S. TRAVEL-GENERATED PAYROLL ($ MILLIONS)
- CONTINUED

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOODSERVICE
NEW MEXICO	46	15	39	109
NEW YORK	795	249	495	850
N. CAROLINA	122	65	128	282
NORTH DAKOTA	24	18	12	43
OHIO	324	122	134	354
OKLAHOMA	134	25	58	192
OREGON	124	28	46	166
PENNSYLVANIA	471	119	215	431
RHODE ISLAND	24	6	9	28
S. CAROLINA	50	30	97	196
SOUTH DAKOTA	13	7	14	34
TENNESSEE	73	35	105	215
TEXAS	730	246	431	807
UTAH	49	12	39	103
VERMONT	9	5	49	111
VIRGINIA	147	59	140	219
WASHINGTON	159	47	55	178
WEST VIRGINIA	20	16	60	82
WISCONSIN	110	37	119	265
WYOMING	21	12	27	50
DIST. OF COL.	126	8	81	77
TOTAL	10046	3075	6404	11889

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER, 6/20/83

TABLE 6: 1981 TRAVEL-GENERATED PAYROLL ($ MILLIONS) - CONTINUED

STATE	ENTERTAIN-MENT AND RECREATION	GENERAL RETAIL TRADE	TRAVEL ARRANGEMENT	TOTAL
ALABAMA	27	16	4	242
ALASKA	7	4	5	197
ARIZONA	48	25	15	541
ARKANSAS	35	19	2	281
CALIFORNIA	462	202	247	5463
COLORADO	101	36	22	848
CONNECTICUT	21	10	27	394
DELAWARE	11	5	2	122
FLORIDA	260	125	72	2933
GEORGIA	79	36	15	860
HAWAII	27	12	41	605
IDAHO	13	8	3	178
ILLINOIS	99	47	72	1245
INDIANA	54	27	10	495
IOWA	29	16	7	318
KANSAS	29	16	9	295
KENTUCKY	35	18	4	342
LOUISIANA	56	26	10	626
MAINE	27	11	2	254
MARYLAND	54	25	19	660
MASSACHUSETTS	53	25	57	944
MICHIGAN	119	52	32	1054
MINNESOTA	101	37	24	851
MISSISSIPPI	20	13	3	193
MISSOURI	88	39	25	854
MONTANA	17	8	3	124
NEBRASKA	24	12	5	211
NEVADA	789	22	8	1454
NEW HAMPSHIRE	28	9	4	198
NEW JERSEY	434	46	47	1646

TABLE 6: 1981 TRAVEL-GENERATED PAYROLL ($ MILLIONS) - CONTINUED

STATE	ENTERTAIN-MENT AND RECREATION	GENERAL RETAIL TRADE	TRAVEL ARRANGEMENT	TOTAL
NEW MEXICO	27	12	3	252
NEW YORK	190	88	194	2861
N. CAROLINA	84	41	9	730
NORTH DAKOTA	9	6	1	114
OHIO	106	53	30	1124
OKLAHOMA	56	27	8	499
OREGON	47	19	13	441
PENNSYLVANIA	143	66	49	1495
RHODE ISLAND	8	4	5	83
S. CAROLINA	50	28	4	455
SOUTH DAKOTA	9	5	1	83
TENNESSEE	59	31	9	528
TEXAS	253	116	80	2662
UTAH	38	14	7	261
VERMONT	31	10	2	218
VIRGINIA	66	32	18	679
WASHINGTON	56	25	39	559
WEST VIRGINIA	23	12	1	215
WISCONSIN	110	39	19	699
WYOMING	20	7	2	138
DIST. OF COL.	10	6	14	323
TOTAL	4543	1590	1300	38848

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 6/20/83

1981 TRAVEL-GENERATED EMPLOYMENT

U.S. travel expenditures on domestic trips directly generated nearly 4.4 million jobs during 1981, a 1.5 percent increase over 1980. Table 7 displays the distribution of these jobs among major travel industry categories.

Foodservice accounted for nearly one-half of all travel-generated jobs in 1981. As discussed in earlier sections, a portion of this employment occurs in hotels and other lodging places rather than individual eating and drinking places and is often included in measures of total lodging employment.

Lodging while traveling away from home provided three-quarters of a million jobs, the second largest of any category listed. Lodging accounts for more employment than all transportation travel expenditures combined.

Employment generated by travel in the transportation sectors actually declined in 1981, as did jobs attributable to travel in

Table 7: Travel-generated Employment in the U.S., 1981

Industry category	Employment (thousands)	U.S. total	Percent change from 1980
Public transportation	448	10.3	- 1.7
Auto transportation	273	6.2	- 6.4
Lodging	776	17.8	3.3
Foodservice	2,085	47.7	2.6
Entertainment and recreation	497	11.4	- 0.2
General retail trade	187	4.3	5.9
Travel arrangement	103	2.4	4.7
U.S. total	4,370	100.0	1.5
U.S. territories	20		0.0
Foreign visitor-generated	331		11.6
Grand total	4,721		2.1

Note: Details may not add to totals due to rounding.

amusement and recreation. All other sectors increased, with general retail trade showing the greatest percentage advance.

U.S. spending in the territories produced twenty thousand jobs, while foreign visitors to the states territories accounted for 331 thousand jobs for Americans. The employment attributable to foreign visitors grew nearly 12 percent over 1980, ten times the domestic growth rate.

In all, travel expenditures in the U.S. produced a total of 4.7 million full- and part-time jobs for American residents during 1981, a two percent increase over 1980. At this rate, travel-generated employment grew more than twice as fast as the increase in total non-agricultural payroll employment in the U.S. for the year (up 0.8 percent).

The ratio of travel expenditures to the jobs directly generated by them indicates the average amount of this spending required to support one job in the travel industry. The ratio for 1981 is $40,600, up seven percent from the previous year. The absolute and relative ratios are the result of wage rates, the mix of full-time, part-time and seasonal employment, and the distribution of travel spending among the industry categories.

Table 8 offers perspectives on the importance of travel-generated employment in each of the states and the District of Columbia. Employment generated by foreign visitors cannot reasonably be distributed among the states with the data now available.

U.S. resident domestic travel spending accounted for 4.8 percent of payroll employment in this country during 1981. Nevada is most dependent on travel for its employment, where nearly one job in three is directly attributable to travel spending. Vermont and Hawaii are also heavily dependent on this source of employment, with more than ten percent total employment attributable to travel spending.

At the other end of the spectrum, Alabama, Connecticut, Illinois and Rhode Island show the least dependence on travel for employment. Each showed less than three percent of nonagricultural payroll employment attributable to U.S. travel spending in 1981.

This fact is highlighted in the column showing travel-generated employment as a single industry ranked among all industries in each state in 1981. Total U.S. travel-generated employment is compared to each two-digit industry as defined as under the Standard Industrial Classification (SIC) system. Agriculture is treated as a single such industry, but government is excluded due to lack of consistent data on public employment (for more discussion of this method see Frechtling: 1977 in Appendix C).

U.S. travel away from home in 1981 directly generated more jobs than any other private industry in 13 states, and is among the top three employers in 39 states. As Table 8 indicates, in

TABLE 8: TRAVEL-GENERATED EMPLOYMENT, SHARE OF TOTAL EMPLOYMENT, AND RANK AMONG PRIVATE SECTOR INDUSTRIES, BY STATE, 1981

STATE	TRAVEL-GENERATED EMPLOYMENT (THOUSANDS)	TRAVEL SHARE OF TOTAL EMPLOYMENT (PERCENT)	TRAVEL-GENERATED EMPLOYMENT RANK
ALABAMA	34.25	2.54	7
ALASKA	13.09	7.13	1
ARIZONA	66.01	6.34	1
ARKANSAS	44.40	6.00	2
CALIFORNIA	514.76	5.15	2
COLORADO	98.64	7.62	1
CONNECTICUT	37.56	2.61	10
DELAWARE	17.03	6.57	2
FLORIDA	331.67	8.88	1
GEORGIA	97.52	4.44	3
HAWAII	57.04	14.09	1
IDAHO	28.91	8.82	1
ILLINOIS	126.85	2.68	8
INDIANA	66.28	3.13	7
IOWA	50.51	4.64	3
KANSAS	41.34	4.35	3
KENTUCKY	45.12	3.77	3
LOUISIANA	70.80	4.34	3
MAINE	38.06	9.08	1
MARYLAND	71.46	4.16	3
MASSACHUSETTS	93.63	3.51	6
MICHIGAN	124.16	3.69	5
MINNESOTA	110.33	6.26	2
MISSISSIPPI	29.32	3.58	4
MISSOURI	102.76	5.25	2
MONTANA	21.05	7.47	1
NEBRASKA	33.44	5.37	2
NEVADA	123.05	29.92	1
NEW HAMPSHIRE	30.81	7.81	1
NEW JERSEY	159.73	5.16	2

TABLE 8: TRAVEL-GENERATED EMPLOYMENT, SHARE OF TOTAL EMPLOYMENT, AND RANK AMONG PRIVATE SECTOR INDUSTRIES, BY STATE, 1981 - CONTINUED

STATE	TRAVEL-GENERATED EMPLOYMENT (THOUSANDS)	TRAVEL SHARE OF TOTAL EMPLOYMENT (PERCENT)	TRAVEL-GENERATED EMPLOYMENT RANK
NEW MEXICO	36.64	7.71	1
NEW YORK	261.94	3.59	3
N. CAROLINA	101.34	4.24	2
NORTH DAKOTA	17.85	7.16	2
OHIO	133.33	3.09	8
OKLAHOMA	62.98	5.24	2
OREGON	55.28	5.43	3
PENNSYLVANIA	180.48	3.82	3
RHODE ISLAND	10.56	2.63	8
S. CAROLINA	68.27	5.71	2
SOUTH DAKOTA	14.58	6.18	2
TENNESSEE	73.23	4.17	2
TEXAS	272.77	4.41	4
UTAH	38.60	6.92	1
VERMONT	35.64	17.44	1
VIRGINIA	83.34	3.86	3
WASHINGTON	59.29	3.68	4
WEST VIRGINIA	31.00	4.93	3
WISCONSIN	107.83	5.62	3
WYOMING	19.85	8.88	2
DIST. OF COL.	25.31	4.14	4
OVERALL	4369.68	4.77	2

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 7/11/83

no state does travel place lower than tenth among the 69 private sector major industry groups for which consistent employment data are available. For the U.S. overall, employment directly generated by U.S. travel ranked second only to the health services industry.

Table 9 shows employment in each of the fifty states and the District of Columbia attributable to U.S. travel spending in 1981. California shows more travel-generated employment than any other state, with nearly twelve percent of the national total. Florida follows with almost eight percent. In all, fourteen states enjoyed more than one hundred thousand travel-generated jobs in 1981, while the average was nearly 86 thousand jobs per state.

On the other hand, Rhode Island apears to have the fewest travel-generated jobs with a little more than ten thousand. Six states in all show fewer than twenty thousand such jobs in 1981.

Nineteen eighty-one began as a year of improvement for the U.S. economy, but gains were cut short by recession at mid-year. As fall and winter set in, the recession deepened in auto manufacturing, homebuilding and agriculture and industries related to them. In September, a strike by federal air traffic controllers forced airlines to reduce flights as capacity was reduced at many of the nation's major airports.

The recession that began in July retarded travel spending gains. Double-digit inflation in travel prices exceeded the increase in U.S. travel spending. Wage rates continued to rise, reducing the number of jobs supported by a given amount of travel spending. As a result, travel-generated employment grew less than two percent over the previous year.

Employment directly attributable to travel declined in 21 states during 1981. For comparison, total non-agricultural payroll employment fell in 19 states, and rose about one-half the rate of travel-generated employment for the nation as a whole.

New Jersey showed the greatest increase in travel-generated employment: up 26 percent. This is the direct result of accelerated casino gaming activity in Atlantic City and its attractiveness to travelers. Alaska showed the second highest growth rate in travel employment, about twice the increase in total payroll employment in the state.

Arizona, Nevada and Washington posted the largest declines in these jobs, each down more than six percent from the previous year.

TABLE 9: 1981 TRAVEL-GENERATED EMPLOYMENT (THOUSANDS)

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOOD SERVICE
ALABAMA	2.54	1.95	6.67	16.72
ALASKA	3.66	1.09	2.32	4.62
ARIZONA	6.24	3.91	12.11	33.13
ARKANSAS	1.44	2.73	6.40	26.29
CALIFORNIA	69.63	27.57	83.15	251.78
COLORADO	9.81	3.43	21.26	47.64
CONNECTICUT	6.65	8.63	3.69	12.77
DELAWARE	1.83	0.44	4.29	8.33
FLORIDA	27.75	17.01	88.88	150.69
GEORGIA	7.64	14.63	17.54	42.46
HAWAII	7.32	4.03	15.80	21.34
IDAHO	1.89	0.96	5.14	17.19
ILLINOIS	18.64	11.22	15.42	56.97
INDIANA	7.52	4.04	9.99	32.90
IOWA	5.16	2.93	7.38	26.25
KANSAS	3.90	3.37	6.05	20.45
KENTUCKY	3.04	5.16	7.31	22.10
LOUISIANA	7.55	6.86	11.94	34.05
MAINE	2.20	0.94	10.89	18.45
MARYLAND	15.35	2.53	10.78	31.59
MASSACHUSETTS	13.88	10.30	19.07	37.02
MICHIGAN	13.38	7.36	21.02	59.84
MINNESOTA	8.10	5.88	17.93	57.29
MISSISSIPPI	1.65	1.81	4.54	16.22
MISSOURI	8.91	7.07	22.80	46.68
MONTANA	0.37	0.94	4.40	11.02
NEBRASKA	2.39	1.73	4.77	18.15
NEVADA	5.68	5.42	17.82	34.20
NEW HAMPSHIRE	0.66	1.07	7.69	15.82
NEW JERSEY	22.63	3.47	19.64	63.38

TABLE 9: 1981 TRAVEL-GENERATED EMPLOYMENT (THOUSANDS) - CONTINUED

STATE	PUBLIC TRANSPORT	AUTO TRANSPORT	LODGING	FOOD SERVICE
NEW MEXICO	2.85	1.61	6.00	20.38
NEW YORK	30.38	18.85	45.72	129.10
N. CAROLINA	6.54	6.45	17.59	53.33
NORTH DAKOTA	1.38	1.85	2.09	9.52
OHIO	15.89	10.22	19.66	65.70
OKLAHOMA	6.16	2.58	8.07	35.49
OREGON	6.36	2.73	7.07	29.71
PENNSYLVANIA	23.33	12.39	29.44	84.97
RHODE ISLAND	1.35	0.62	1.29	5.36
S. CAROLINA	3.35	3.45	13.53	36.96
SOUTH DAKOTA	0.77	0.77	2.64	7.88
TENNESSEE	3.85	3.61	12.86	40.86
TEXAS	29.59	19.57	51.45	125.28
UTAH	2.34	1.28	5.63	21.38
VERMONT	0.61	0.67	6.70	21.45
VIRGINIA	5.98	5.62	17.98	39.61
WASHINGTON	6.21	4.26	7.11	29.94
WEST VIRGINIA	1.52	1.65	7.72	15.28
WISCONSIN	6.10	4.01	15.78	58.29
WYOMING	1.34	1.18	4.10	9.26
DIST. OF COL.	5.14	0.71	6.77	10.23
TOTAL	448.45	272.55	775.91	2085.34

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 6/22/83

TABLE 9: 1981 TRAVEL-GENERATED EMPLOYMENT (THOUSANDS) - CONTINUED

STATE	AMUSEMENT AND RECREATION	GENERAL RETAIL TRADE	TRAVEL ARRANGEMENT	TOTAL
ALABAMA	4.05	1.92	0.40	34.25
ALASKA	0.73	0.33	0.34	13.09
ARIZONA	6.17	3.05	1.40	66.01
ARKANSAS	4.91	2.39	0.24	44.40
CALIFORNIA	41.29	21.76	19.58	514.76
COLORADO	10.18	4.43	1.88	98.64
CONNECTICUT	2.22	1.29	2.29	37.56
DELAWARE	1.34	0.65	0.15	17.03
FLORIDA	26.75	14.48	6.10	331.67
GEORGIA	9.61	4.41	1.22	97.52
HAWAII	3.39	1.30	3.85	57.04
IDAHO	2.52	0.95	0.25	28.91
ILLINOIS	13.55	5.56	5.48	126.85
INDIANA	7.58	3.37	0.89	66.28
IOWA	5.87	2.30	0.62	50.51
KANSAS	4.80	1.98	0.80	41.34
KENTUCKY	4.76	2.33	0.42	45.12
LOUISIANA	6.66	3.02	0.71	70.80
MAINE	4.01	1.36	0.21	38.06
MARYLAND	6.63	3.13	1.44	71.46
MASSACHUSETTS	6.00	3.13	4.23	93.63
MICHIGAN	14.30	5.60	2.65	124.16
MINNESOTA	14.71	4.62	1.80	110.33
MISSISSIPPI	3.20	1.62	0.28	29.32
MISSOURI	11.09	4.39	1.80	102.76
MONTANA	3.06	1.00	0.28	21.05
NEBRASKA	4.37	1.65	0.38	33.44
NEVADA	56.90	2.25	0.78	123.05
NEW HAMPSHIRE	4.03	1.20	0.34	30.81
NEW JERSEY	40.79	5.75	4.06	159.73

TABLE 9: 1981 TRAVEL-GENERATED EMPLOYMENT (THOUSANDS) - CONTINUED

STATE	AMUSEMENT AND RECREATION	GENERAL RETAIL TRADE	TRAVEL ARRANGEMENT	TOTAL
NEW MEXICO	3.93	1.55	0.33	36.64
NEW YORK	15.01	9.71	13.19	261.94
N. CAROLINA	11.42	5.26	0.74	101.34
NORTH DAKOTA	2.00	0.88	0.13	17.85
OHIO	12.98	6.36	2.53	133.33
OKLAHOMA	6.73	3.31	0.64	62.98
OREGON	6.26	1.96	1.19	55.28
PENNSYLVANIA	17.93	8.09	4.34	180.48
RHODE ISLAND	1.08	0.46	0.40	10.56
S. CAROLINA	6.93	3.72	0.34	68.27
SOUTH DAKOTA	1.74	0.69	0.09	14.58
TENNESSEE	7.41	3.84	0.80	73.23
TEXAS	29.11	11.97	5.79	272.77
UTAH	5.61	1.78	0.59	38.60
VERMONT	4.82	1.22	0.17	35.64
VIRGINIA	8.47	4.25	1.43	83.34
WASHINGTON	6.26	2.54	2.97	59.29
WEST VIRGINIA	3.15	1.54	0.14	31.00
WISCONSIN	17.02	5.12	1.52	107.83
WYOMING	2.90	0.90	0.16	19.85
DIST. OF COL.	0.89	0.60	0.97	25.31
TOTAL	497.11	187.01	103.31	4369.68

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 6/22/83

1981 TRAVEL-GENERATED TAX RECEIPTS

Travel expenditures, and the business and personal income they generate, produce tax revenue for federal, state and local governments. U.S. travelers directly generated more than $19 billion in tax revenue during 1981, up nearly ten percent from 1980. Table 10 shows the distribution of 1981 travel-generated tax revenue among levels of government.

Table 10: Travel-generated Tax Receipts in the U.S., 1981

Level of Government	Tax Receipts (billions)	Percent of U.S. Total
Federal	$ 10.7	55.4%
State	6.6	34.2
Local	2.0	10.3
U.S. Total	$ 19.3	100.0%
U.S. Territories	0.1	
Foreign visitor-generated	1.3	
Grand Total	$ 20.7	

Note: Details may not add due to rounding
Source: U.S. Travel Data Center

The federal government accounted for more than half of the tax revenue earned from travel expenditures in 1981. State government received one-third of travel-generated tax revenues, while local government garnered ten percent.

It is interesting to compare this distribution with that for all tax revenue in the U.S. In fiscal 1981, the federal government accounted for 61 percent of all taxes collected in the U.S., more than its share of travel-generated taxes. States, on the other hand, accounted for less than 23 percent, considerably below their proportion of travel revenue. Local governments showed 15 percent of the total, versus eleven percent of travel taxes. This indicates that state governments are considerably more aggressive in taxing travel-related activities than federal or local governments are.

The 9.9 percent increase in travel-generated tax revenue for all governments in 1981 was about one percentage point faster than the growth in total tax revenue for these governments. Federal travel-generated tax revenue was up 11.1 percent over the previous year, compared to a 16 percent increase in total federal tax collections. State and local tax receipts from travel activities grew 10.6 percent and 7.8 percent, respectively in 1981, compared to 9.2 percent and 9.7 percent increases in state and local overall tax collections.

This indicates travel tax revenue grew faster than total tax receipts for federal, state and local governments. Growth here is, of course, the product of both rising travel expenditures and changes in tax rates.

During 1981, on the average each dollar of travel spending in the U.S. generated 6.0 cents in federal tax revenue, 3.7 cents in state tax revenue, and 1.1 cents in local tax receipts, for a total of 10.8 cents.

Overall, U.S. travel-generated tax receipts in the U.S. during 1981 accounted for 3.2 percent of all tax revenue in America. The federal government received 2.6 percent of its tax revenue from travel activity. State governments earned 4.4 percent of their tax receipts from travel and tourism, while local governments garnered 2.1 percent from this source. This comparison suggests that state governments are more dependent on travel and tourism activity for tax receipts than the other levels of government.

The Data Center estimates that U.S. visitors to the territories generated about $61 million in tax revenue. Foreign visitors produced more than $1.3 billion for federal, state and local governments during their activities here in 1981. The Data Center estimates that federal tax revenues generated by foreign visitor spending in the U.S. reached $731 million that year.

All told, all travelers in the fifty states, the District of Columbia and the U.S. territories generated $20.7 billion in tax revenue for U.S. governments. This accounted for 3.2 percent of all tax collections in 1981.

Table 11 shows estimates of tax receipts generated by U.S. travelers in each of the states and the District of Columbia by level of government in 1981. Tax revenue attributable to foreign visitor spending cannot be distributed among the states at this time. The state and local tax receipts are the product of the individual tax structures prevailing in the individual states and the structure of travel spending in the states. Readers should also note that inclusion of traveler expenditures on casino gaming makes the estimates of federal, state and local tax revenue generated in Nevada and New Jersey inconsistent with earlier estimates.

TABLE 11: U.S. TRAVEL-GENERATED TAX REVENUE ($MILLIONS)

STATE	FEDERAL TAX REVENUE	STATE TAX REVENUE	LOCAL TAX REVENUE	TOTAL TAX REVENUE
ALABAMA	54	47	12	112
ALASKA	55	76	7	138
ARIZONA	129	98	25	252
ARKANSAS	55	58	5	118
CALIFORNIA	1493	916	312	2721
COLORADO	289	92	58	439
CONNECTICUT	170	111	16	297
DELAWARE	35	14	2	52
FLORIDA	696	525	69	1290
GEORGIA	218	173	38	429
HAWAII	139	87	15	241
IDAHO	44	30	5	78
ILLINOIS	426	183	65	674
INDIANA	139	108	20	267
IOWA	72	57	12	141
KANSAS	76	51	11	138
KENTUCKY	84	94	6	183
LOUISIANA	165	97	44	306
MAINE	50	46	10	106
MARYLAND	218	100	37	355
MASSACHUSETTS	274	198	50	521
MICHIGAN	342	212	47	601
MINNESOTA	276	187	26	489
MISSISSIPPI	37	55	9	100
MISSOURI	285	114	42	441
MONTANA	25	14	6	45
NEBRASKA	57	42	11	110
NEVADA	342	182	121	646
NEW HAMPSHIRE	42	15	10	67
NEW JERSEY	423	242	72	737

TABLE 11: U.S. TRAVEL-GENERATED TAX REVENUE ($MILLIONS) - CONTINUED

STATE	FEDERAL TAX REVENUE	STATE TAX REVENUE	LOCAL TAX REVENUE	TOTAL TAX REVENUE
NEW MEXICO	54	45	9	109
NEW YORK	961	519	368	1848
N. CAROLINA	166	125	32	323
NORTH DAKOTA	27	26	3	56
OHIO	365	167	49	581
OKLAHOMA	148	51	31	231
OREGON	120	38	20	177
PENNSYLVANIA	441	285	50	776
RHODE ISLAND	23	18	4	45
S. CAROLINA	95	109	10	214
SOUTH DAKOTA	18	21	6	44
TENNESSEE	113	98	30	241
TEXAS	762	294	96	1152
UTAH	59	51	14	124
VERMONT	39	36	10	85
VIRGINIA	147	116	45	307
WASHINGTON	148	97	14	259
WEST VIRGINIA	39	46	4	89
WISCONSIN	176	145	26	347
WYOMING	31	22	9	63
DIST. OF COL.	99	74	0	173
TOTAL	10741	6609	1990	19339

NOTE: DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.
SOURCE: U.S. TRAVEL DATA CENTER. 7/12/83

APPENDIX A: TRAVEL ECONOMIC IMPACT MODEL

Introduction

The Travel Economic Impact Model (TEIM) was developed by the U.S. Travel Data Center to provide annual estimates of the impact of the travel activity of U.S. residents on national, state and county economies in this country. It is a disaggregated model built upon estimates of 16 travel expenditure categories, their impact on 16 types of travel-related businesses at the retail level, and the business receipts, employment, personal income, and tax receipts that result.

The TEIM has the capability of estimating the economic impact of various types of travel, such as business and vacation, by transport mode and type of accommodations used, and other trip and traveler characteristics. While the benchmark Model estimates are primarily based on data gathered by the U.S. Bureau of the Census in 1977, it has been updated to provide estimates for succeeding years.

The TEIM has been used to develop estimates of 1977 and subsequent year travel expenditures and the effect of these expenditures on employment, payroll and tax revenue in each of the 50 states and the District of Columbia. The County Impact Component of the TEIM allows estimation of the economic impact of travel at the county and city level. The county-level estimates discussed in this report are derived from this component.

The estimates of economic impact contained herein were developed through a FLARES computer program designed by the staff of the U.S. Travel Data Center and the Computer Sciences Corporation of Rosslyn, Virginia.

Definition of Terms

There is no commonly-accepted definition of travel in use at this time. However, the industry appears to be converging on the concept that travel involves all activity related to trips to places outside the traveler's home area, or more specifically, places 50 miles or more away from home, except for commuting to and from work. However, the principal data sources for measuring travel activity levels, the U.S. Census Bureau's 1972 and 1977 National Travel Surveys and economic census, used different definitions. Since these are the only comprehensive, large-sample survey sources of the travel activity in the U.S., the definitions of travel in these surveys are adopted for the purposes of this report.

For the purposes of the estimates herein, "travel" is defined as activities associated with all overnight trips away from home, and day-trips to places 100 miles or more away from the traveler's origin. This definition is largely coterminous with the 50-mile defintion, but each definition excludes activity included by the other. The TEIM definition includes all overnight trips regardless of distance away from home, but excludes trips to places 50 to 100 miles away from home. The 50-mile definition excludes overnight trips to places less than 50 miles away from home, but includes day-trips of one-way distances 50 to 100 miles. Given these differences, it appears a priori that the total volume of travel expenditures associated with each definition is quite similar.

The word "tourism" is avoided in this report because of its vague meaning. Some define tourism as all travel away from home while others use the dictionary definition which limits tourism to personal or pleasure travel.

The "travel industry," as used herein, refers to the collection of 16 types of businesses that provide goods and services to the traveler or potential traveler at the retail level (see the Glossary). These business types are as defined by the Office of Management and Budget in its system of Standard Industrial Classifications (SIC).[2] In each case, the relevant SIC code is included.

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[1]See National Tourism Resources Review Commission, Destination U.S.A., Volume 2: Domestic Tourism, U.S. Government Printing Office, Washington, D.C., 1973, pp. 4-5; Frechtling, Douglas C., "Proposed Standard Definitions and Classifications for Travel Research," Marketing Travel and Tourism, Seventh Annual Conference Proceedings, The Travel Research Association, Salt Lake City, 1976, pp. 59-73.

[2]Office of Management and Budget, U.S. Executive Office of the President, Standard Industrial Classification Manual, 1972, U.S. Government Printing Office, Washington, D.C., 1973, 649 pp.

A "travel expenditure" is assumed to take place whenever a traveler exchanges money for an activity considered part of his trip. Total travel expenditures are broken down into 16 separate categories representing traveler purchases of goods and services at the retail level. Travel expenditures are allocated among states and counties by simulating where the exchange of money for goods or services actually took place. By their nature, some travel expenditures are assumed to occur at the traveler's origin, some at his destination, and some enroute.

"Economic impact" is represented by measures of spending, employment, payroll, business receipts and tax revenues generated by traveler spending. "Payroll" includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacation allowances, sick leave pay and the value of payments in kind paid during the year to all employees. Payroll is reported before deductions for social security, income tax insurance, union dues, etc. This definition follows that used by the U.S. Census Bureau in the 1977 Census of Service Industries.3

"Employment" represents the number of jobs generated by traveler spending, both full- and part-time. As such, it is consistent with the U.S. Department of Labor series on non-agricultural payroll employment.[4] Tax revenues include corporate income, individual income, sales and gross receipts, and excise taxes by level of government.[5] Business receipts reflect travel expenditures less the sales and excise taxes imposed on those expenditures.

A more complete set of definitions appears in the Glossary of this volume.

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[3]U.S. Bureau of the Census, Census of Sevice Industries, 1977, Area Series, United States, U.S. Government Printing Office, Washington, D.C., 1979, p. A3.

[4]U.S. Department of Labor, Handbook of Labor Statistics, 1975, U.S. Government Printing Office, Washington, D.C.,1975, pp. 4-6.

[5]Advisory Commission on Intergovernmental Relations, State-local Finances: Significant Features and Suggested Legislation, 1972, U.S. Government Printing Office, Washington, D.C., 1972 passim, and later editions.

Description of the Model [6]

The basic data on travel activity levels (e.g., number of miles traveled by mode of transportation, the number of nights away from home spent by type of accommondation) are available from the 1977 National Travel Survey.[7] Through the TEIM's National Travel Expenditure Component (NTEC), the activity levels for trips to places within the United States are combined with the apropriate average costs of each unit of travel activity, (e.g., cost per mile by mode of transport, cost per night by type of accommondation), to produce estimates of the total amount spent on each of 16 categories of travel-related goods and services by state. For example, the number of nights spent by travel parties in commercial lodging in Maryland is multiplied by the average cost per night per travel party of staying in a commercial lodging facility in Maryland to obtain the estimate of traveler expenditures for hotel, motel and tourist court accommodations.

The expenditure data resulting from the National Travel Expenditure Component cover only those trips to places 100 miles or more away from home, the basic trip definition used in the 1977 National Travel Survey (NTS). Consequently, these results understate U.S. travel expenditures on all overnight trips and day-trips of 100 miles for two reasons. First, only 100 mile trips are included in the 1977 and the expenditure estimates based uponit. Second, the 1977 NTS may have underestimated travel activity, with resulting expenditure estimates based upon it underestimated as well.

In order to correct for these potential sources of underestimation, the results of the NTEC for each state are calibrated using estimates provided by the U.S. Census Bureau's 1977 Census of Service Industries (CSI).[8] The NTEC estimates of traveler spending for commercial accommodations are compared to the CSI estimates of hotel/motel receipts from room rentals, and the state travel expenditure estimates for each category are adjusted by the ratio of the CSI estimates of hotel/motel room rental receipts in a state to the NTEC estimates of travel spending on commercial accommodations in the state. The results are adjusted travel expenditures in each of the 16 categories for each state whcih represent expenditures on overnight trips away from home, and day trips to places 100 miles or more away from home.

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[6] For a detailed description of the TEIM, including equations and data sources, see Frechtling, Douglas C., et. al., Travel Economic Impact Model, Volume I: Final Economic Analysis Methodology, U.S. Travel Data Center, Washington, D.C., 1975, 108 pp.

[7] U.S. Bureau of the Census, 1977 Census of Transportation, National Travel Survey, U.S. Government Printing Office, Washington, D.C. 1979, 362 pp.

[8] U.S. Bureau of the Census, 1977 Census of Service Industries, Geographic Area Series, U.S. Government Printing Office, Washington, D.C., 1979.

The Economic Impact Component of the TEIM estimates travel-generated business receipts, employment, and payroll. Basically, the 16 types of travel expenditures are associated with 16 different types of travel-related businesses. For example, traveler spending on commercial lodging in a state is related to the business receipts, employment and payroll of hotels, motels and motor hotels (SIC 701) in the state. It is assumed that travel spending in each category, less sales and excise taxes, equals business receipts for the related business type as defined by the U.S. Census Bureau.

It is assumed that each job in a specific type of business in a state is supported by some amount of business receipts and that each dollar of wages and salaries is similarly supported by some dollar volume of business receipts. The ratios of employment to business receipts are computed for each industry in each state. These ratios are then multiplied by the total amount of business receipts generated by traveler spending in a particular type of business to obtain the measures of travel-generated employment and payroll of each type of business in each state. For example, the ratio of employees to business receipts in Maryland commercial lodging establishments is miltiplied by traveler-generated business receipts of these establishements to obtain traveler-gernerated employment in commercial lodging. A similar process is used for the payroll estimates.

The Fiscal Impact Component of the TEIM is used to estimate traveler-generated tax revenues of federal, state and local governments. The yield of each type of tax is related to the best measure of the relevant tax base available for each state consistent with the output of the Economic Impact Component. The ratios of yield to base for each type of tax in each state obtain estimates of tax receipts generated by travel. For example, the ratio of Maryland State personal income tax collections to payroll in the state is applied to total travel-generated payroll to obtain the estimate of state personal income tax receipts attributable to traveler spending in Maryland.

The 1977 benchmark estimates of travel expenditures, and travel-generated employment, payroll and federal, state and local tax revenue, are up-dated for each succesive year. Data from the U.S. Bureau of the Census, the Federal Aviation Administration, the Civil Aeronautics Board, Amtrak, the American Bus Association, the Federal Highway Administration, state revenue departments, the Data Center's annual National Travel Survey and other sources are used for this purpose. These data indicate the change in travel spending for each of the expenditure categories for each state over the previous year, as well as changes in the relationship of travel spending to employment, payroll and tax revenue. A new benchmark estimate will be computed when the results of the Census Bureau's 1982 National Travel Survey are available.

Limitations of the Study

This study is designed to indicate the impact of U.S. traveler expenditures on employment, payroll, business receipts and tax revenue in each of the states. These impact estimates reflect the limitations inherent in the definition of travel expenditures. Two important classes of travel-related expenses have not been estimated due to lack of sufficient data. Consumers purchase certain goods and services in anticipation of a trip away from home. These include sports equipment (tennis racquets, skis, scuba gear, etc.), clothing (tennis clothes, ski togs, bathing wear, etc.), travel books and guides, and services such as language lessons and lessons for participatory sports (tennis, skiing, underwater diving, etc.). Although the magnitude of these purchases in preparation for a trip cannot be quantified, it is probably significant relative to overall travel expenditures.

The second type of spending not covered due to lack of sound, relevant data is the purchase of major consumer durables generally related to outdoor recreation on trips. While recreational vehicles (campers, motor homes, trailers and mobile homes) are covered, spending for boats and boating supplies, and off-road recreational vehicles such as trail bikes, dune buggies and snowmobiles are not. Further research is required in this area to estimate the average spending on items such as those by travelers.

Moreover, the TEIM records travel expenditures only for those states where travelers spent the night, originated, or were destined. Due to the nature of the Census Bureau's 1977 National Travel Survey, expenditures could not be allocated to states passed through in a single day. It is believed these expenditures may be quite significant to certain "bridge" states between major population concentrations and major destinations.

The trip definition inherent in this study also limits the estimates of economic impact somewhat. Specifically excluded are the economic effects of U.S. traveler expenditures in this country pursuant to traveling to a foreign destination. Also excluded is the impact of day-trips to places less than 100 miles from home. While these latter trips may be quite numerous intuitively, they appear to involve little economic impact since lodging expenditures and virtually all common carrier spending are excluded. Meal, entertainment and recreation expenditures on these trips also seem relatively insignificant.

These travel expenditure and impact estimates are based on household surveys of travel activity. Consequently, they are subject to all of the sampling and non-sampling errors inherent in sample surveys.

Most travel expenditure data collected is on a "type of purchase" rather than "point of purchase" basis. This means there is some incongruity in matching spending on different goods and services while traveling with the receipts, employment and payroll of different types of businesses. For example, all spending for meals is assumed to take place in eating and drinking places (SIC 58), whereas some may actually occur in hotels or other commercial lodging places (701). This inconsistency does not appear to introduce major errors in the calculations and can only be corrected upon collection of point-of-purchase expenditure data.

Little is known about the type of purchases made in this country by foreign visitors. Consequently, these expenditures cannot be distributed among the states or among expenditure categories to determine precise impact. However, it should be recognized that the estimates contained herein significantly understate the impact of tourism in states which receive a substantial number of foreign visitors.

APPENDIX B: GLOSSARY OF TERMS

GLOSSARY OF TERMS

Automobile Transportation Expenditure. This category includes a prorata share of the fixed costs of owning an automobile, truck, camper, or other recreational vehicle, such as insurance, license fees, tax, and depreciation costs. Also included are the variable costs of operating an automobile, truck, camper, or other recreational vehicle on a trip, such as gasoline, oil, tires, and repairs. The costs of renting an automobile or other motor vehicle are included in this category as well.

Automobile Transportation Industry. Automotive dealers and gasoline service stations (SIC 55), automobile rental and leasing without drivers (751).

Entertainment/Recreation Expenditure. Traveler spending on recreation facility user fees, admissions at amusement parks and attractions, casino gaming (Nevada, and Atlantic City, New Jersey), and attendance at nightclubs, theaters, shows, sports events, and other forms of entertainment and recreation while traveling.

Entertainment/Recreation Industry. Amusement and recreation services (SIC 79).

Food Expenditure. Travelers spending in commercial eating facilities and grocery stores or carry-outs, as well as on food purchased for off-premise consumption.

Foodservice Industry. Eating and drinking places (SIC 58).

General Retail Trade Industry. This sector is defined to receive incidental purchases by travelers. It includes general merchandise group stores (SIC 53) and miscellaneous retail stores (59).

Incidental Purchase Expenditure. Traveler spending on retail trade purchases including gifts for others, medicine cosmetics, clothing, personal services, souvenirs, and other items of this nature.

Incidental Purchase Industry. See General Retail Trade Industry.

Lodging Industry. This industry includes hotels, motels and motor hotels (SIC 701), camps and trailer parks (703), and general building contractors -- residential buildings (152) and operative builders (1531).

Public Transportation Expenditures. This includes traveler spending on air, bus, rail and boat/ship transporation, and taxicab or limousine service between airports and central cities. Also included are expenditures on "other transportation" as indicated in the 1977 National Travel Survey.

Public Transportation Industry. Air transportation (SIC 45), taxicab companies (411), intercity highway passenger transportation (413), National Railroad Passenger Corporation (Amtrak), and water transportation (44 except 441). Also is the "dummy" industry of "other transportation."

Tourism. Generally avoided in this study, this term can be used to refer to pleasure or personal travel, a subset of travel.

Travel. The act of taking a "trip" (qq.v.).

Travel Arrangement Industry. This includes travel agencies, tour operators, and other services in arranging passenger transportation, and is covered under SIC 4722.

Traveler. A person on a "trip" (qq.v.).

Travel Expenditure. The exchange of money or the promise of money for a good or service while traveling, including any advance purchase of public transportation tickets, lodging or other items normally considered incident to travel, but which may be purchased in advance of the trip. In addition, certain of the "fixed" or capital costs of owning a motor vehicle (including campers, motor homes, etc.) or a vacation or second home are included as associated with taking a trip. Generally, expenditures are assumed to take place at the point where the good or service is bought while traveling. The two exceptions to this rule are that the fixed costs of operating a motor vehicle while on a trip are allocated to the traveler's area of residence, and the "imputed rent" of spending nights in the traveler's own vacation home are allocated to the area visited.

Travel-generated Employment. The number of jobs attributable to travel expenditures in an area. These estimates of employment follow the "establishment payroll survey definition" rather than the "household survey definition." Consequently the TEIM estimates are more closely related to number of jobs than to number of employees. For a detailed description of the household and establishment survey differences, see Green, Gloria P., "Comparing Employment Estimates from Household and Payroll Surveys," Monthly Labor Review, Vol. 92, No. 12 (December, 1969).

Travel-generated Payroll. This is the payroll, or wage and salary income, attributable to travel expenditures in an area. Payroll includes all forms of compensation, such as salaries, wages, commissions, bonuses, vacation allowances, sick leave pay, and the value of payments in kind (such as free meals and lodgings) paid during the year to all employees. Tips and gratuities received by employees from patrons and reported to employers are included. For corporations, it includes amounts paid to officers and executives; for unincorporated businesses, it does not include profit nor other compensation of proprietors or partners. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc.

Travel-generated Tax Receipts. These are federal, state and local tax revenues attributable to travel in an area. For a given state or locality, all or some of the taxes may apply. "Local" includes county, city or municipality, and township units of government. This tax revenue is attributable to the level of government actually collecting the receipts, and not the level that may end up receiving it through intergovernmental transfers.

Federal. These receipts include corporate income taxes, individual income taxes, employment taxes, and gasoline excise taxes, and airline ticket taxes.

State. These receipts include corporate income taxes, individual income taxes, general sales and gross receipts taxes, and excise taxes.

Local. These include county and city receipts from individual income taxes, sales, excise and gross receipts taxes, and property taxes.

Travel-generated Wage and Salary Income. The same as "travel-generated payroll".

Trip. A trip occurs, for the purpose of the Model, every time one or more persons goes to a place 100 miles or more away from home in one day, or is out-of-town one or more nights, and returns to his origin. Specifically excluded from this definition are: (1) travel as part of an operating crew on a train, plane, bus, truck or ship; (2) commuting to a place of work; (3) student trips to school or those taken while in school. Also excluded is foreign travel activity in the U.S.

Visitor. This term is usually limited to special studies of individual cities or metropolitan areas. It includes those not residing in the area under study who travel away from home overnight or on a day trip of 200 round-trip miles or more and visit the area. As a general rule, total travel impact on an area less the impact of area residents equals visitor impact.

APPENDIX C: SOURCES

APPENDIX C: SOURCES

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